

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 22 – 10**

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, COLORADO, BY AMENDING CHAPTER 110, CONCERNING THE LICENSING OF BUSINESS, AT SECTIONS 110-38, CONCERNING THE REQUIREMENT FOR A SHORT TERM RENTAL LICENSE; AND 110-39, CONCERNING SHORT TERM RENTAL LICENSE APPLICATION, TERM, RENEWAL AND NON-TRANSFERABILITY; ALL IN ORDER TO ESTABLISH A LIMIT ON THE TOTAL NUMBER OF SHORT TERM RENTAL LICENSES ISSUED BY THE TOWN.

WHEREAS, the Town of Frisco, Colorado (“Town”) is a home rule municipality, duly organized and existing under Article XX of the Colorado Constitution; and

WHEREAS, this ordinance is adopted pursuant to the Town’s home rule authority in order to preserve the community character and protect the health, safety, and welfare of the community, by establishing the maximum number of allowable short-term rental licenses that may be issued within the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO THAT:

Section 1. Section 110-38 of the Code of ordinance of the Town of Frisco (the “Code”), concerning the requirement for a license for a short-term rental unit, is hereby amended to read as follows:

§ 110-38. License required; limitations on number of licenses issued.

Effective May 1, 2019, it shall be unlawful for an owner to lease or advertise for lease, or to permit the leasing or advertising for lease, of any short-term rental property within the Town of Frisco without a valid license for the same issued pursuant to this Article. No person who has obtained a license pursuant to this Article shall be required to hold a general business license pursuant to Article I of this Chapter for the same business activity. No person who has obtained a license pursuant to this Article shall be required to hold a sales tax license pursuant to Chapter 160 of this Code for the same business activity.

Except as otherwise set forth in this Section, at no time shall the Town issue a license that would cause the total number of licenses issued pursuant to this Article to exceed the number that is equal to twenty-five percent (25%) of the total number of residential housing units within Town boundaries. For purposes of this Section, the Town determines that as of October 11, 2022, and until January 3, 2023, the total number of residential housing units within the Town boundaries is Three Thousand Six Hundred (3,600). On the first business day of each calendar year, the Town’s Community Development Director shall determine and certify in writing to the Town Clerk the then-current number of residential housing units within the Town boundaries. Such determination shall be made by the addition (if any) and the subtraction (if any) of residential housing units

completed or demolished during the immediately prior calendar year from the number initially established herein, as modified from year to year in accordance with this Section. Such number shall remain the total number of residential housing units for purposes of this Section until the next subsequent certification on the first business day of the subsequent calendar year.

Any part of the foregoing paragraph notwithstanding, if a person has made a complete application for a building permit for the construction of a new residential unit on or before October 11, 2022 and, within twenty (20) days from the date of issuance of a certificate of occupancy for such unit, has made a complete application to the Town for a license to be issued pursuant to this Article, the person shall be eligible to receive such a license and the renewal of such license regardless of the fact that the license could not otherwise be issued or renewed due to the limitation on the total number of licenses that may be issued under this Section.

Any part of the foregoing paragraph notwithstanding, if a person has entered into a written agreement to purchase a residential unit on or before October 11, 2022 and, within twenty (20) days after the closing of the sale on the unit, has made a complete application to the Town for a license to be issued pursuant to this Article, the person shall be eligible to receive such a license and the renewal of such license regardless of the fact that the license could not otherwise be issued or renewed due to the limitation on the total number of licenses that may be issued under this Section.

Section 2. Subsection 110-39.A.1. of the Code, concerning the short term rental license application, is hereby amended to read as follows:

1. The full name, residential address and telephone number of the applicant, who must be the owner of the short-term rental property;

Section 3. Subsection 110-39.D. of the Code, concerning the transferability of a short term rental license, is hereby amended to read as follows:

- D. Transferability of license.* No license issued under this Article shall be transferable and no license is valid as to any person or entity other than the person or entity named thereon, excepting spouses and partners in a civil union. The issuance and renewal of a license pursuant to this Article is a privilege, not a right, and the Town may determine at any time that the allowance of the use of property as short-term rental property is not, or is no longer, in the best interests of the health, safety or welfare of the citizens of the Town, and may amend or repeal this Article accordingly.

Any part of the first sentence of the foregoing paragraph notwithstanding, a license issued under this Article shall not be deemed to have been transferred if there has been a transfer in legal title or beneficial interest to the property that is the subject of the license as a result of:

1. Any transfer where the United States or any agency of the state, any county, city, municipality, district or other political subdivision of the state is either the grantor or the grantee;
2. A gift of real property, where there is no consideration other than love and affection or a charitable donation;
3. A transfer between the same parties creating or terminating a co-ownership in real property;
4. The transfer of title or change in interest in real property by reason of death, pursuant to a will, or the law of descent and distribution;
5. A reorganization, merger or consolidation of corporations, or by a subsidiary to a parent corporation for no consideration other than cancellation or surrender of the subsidiary's stock, or transfers made to a corporation, partnership, limited partnership, joint venture, business trust or other association or organization, in each instance if that entity, association or organization is owned by the persons by whom such transfer was made and so long as such owners have the same relative interests in the new entity, association or organization as they had in the real property immediately prior to said transfer and there is no consideration other than their respective interests in the new entity, association or organization, or transfers made from a corporation, partnership, limited partnership, joint venture, business trust or other association or organization to a corporation, partnership, limited partnership, joint venture, business trust or other association or organization if, at the time of the transfer, the identities and ownership interests of the persons who own the transferor entity, association or organization are the same as the identities and ownership interests of the persons who own the transferee entity, association or organization, whether or not consideration is provided;
6. A transfer made pursuant to a confirmed bankruptcy plan or pursuant to an order by a court of competent jurisdiction under the Bankruptcy Code or in an equity receivership proceeding;
7. A transfer made and delivered without consideration for the purpose of confirming, correcting, modifying or supplementing a transfer previously recorded for the purpose of making minor boundary line adjustments, removing clouds of titles, or granting rights-of-way, easements or licenses;
8. Any decree or order of a court of record quieting, determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding;
9. Any transfer between spouses or former spouses made pursuant to a separation agreement, decree of legal separation or dissolution of marriage;
10. Any transfer by deed in lieu of foreclosure if the grantee is the person holding the obligation being cancelled in whole or part;

- 11. Any transfer by sheriff's deed, trustee's deed or other conveyance of real property in connection with an execution sale, foreclosure sale by the public trustee under a power of sale, court decree foreclosing a mortgage, deed of trust or other security instrument or court decree of lien foreclosure, provided that the grantee is the person holding the obligation or instrument upon which the proceeding is based; or
- 12. Any transfer pursuant to IRS 1031 regulations concerning like-kind exchanges that is from an Exchange Accommodation Titleholder that has obtained a license pursuant to this Article, to the person for whose benefit the Exchange Accommodation Titleholder took title to the property.
- 13. For purposes of enforcing the provisions of this Subsection D, the Town's Finance Director may require that any person claiming that a license issued under this Article should not be deemed to have been transferred provide an affidavit, signed under penalty of perjury, that alleges fact sufficient to cause the Director to believe, in the Director's reasonable discretion, that the transfer should not be deemed to be a transfer pursuant to this Subsection.

Section 4. Effective Date.

This ordinance shall become effective in accordance with the home-rule Charter of the Town of Frisco, Colorado.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION AND POSTING ORDERED THIS _____ DAY OF _____, 2022.

ADOPTED ON SECOND AND FINAL READING AND PUBLICATION BY TITLE ORDERED THIS _____ DAY OF _____, 2022

TOWN OF FRISCO, COLORADO:

Hunter Mortensen, Mayor

ATTEST:

Deborah Wohlmuth, CMC, Town Clerk